



Spectra Energy Signs Binding Precedent Agreements for Major Pipeline Project to Deliver New Natural Gas Supplies Into New Jersey and New York Area

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HOUSTON, Dec. 28 /PRNewswire-FirstCall/ -- Spectra Energy Corp (NYSE: SE) has signed binding precedent agreements with Chesapeake Energy Corporation (Chesapeake, NYSE: CHK), Consolidated Edison (Con Edison, NYSE: ED) and Statoil Natural Gas (Statoil, NYSE: STO) for an expansion of its existing Texas Eastern Transmission (Texas Eastern) and Algonquin Gas Transmission (Algonquin) pipeline systems to deliver new, critically needed natural gas supplies to the New Jersey and New York area.

These shippers' commitment to this proposed project provides sufficient market support to proceed with the expansion.

The proposed pipeline would be capable of transporting up to 800 million cubic feet per day of new natural gas supplies to the region and is targeted to be in service in the fourth quarter 2013.

Specific facilities design and related costs will be finalized following the results of the project's open season, which will be announced shortly. However, aspects of the proposed expansion include:

- construction of a new, 16-mile pipeline extension that connects Texas Eastern's existing pipeline in Staten Island, N.Y., to a new interconnect with Con Edison in New York City, NY;
- replacement of five miles of existing pipeline in New Jersey and New York with larger diameter pipeline, and
- additional facilities on Spectra Energy's existing Algonquin pipeline system.

"We're extremely pleased to be working with Chesapeake, Con Edison and Statoil on this important project. This is a project we have been pursuing for some time, which will enhance natural gas service reliability in the Greater New York City area and increase consumers' access to diverse and abundant natural gas supplies," said Greg Ebel, president and chief executive officer, Spectra Energy Corp. "With this expansion, we'll be delivering clean-burning natural gas to heat homes and businesses, and fuel much-needed gas-fired electric generation in these critical markets."

"This project aligns with our strategy to develop and construct right-sized, well-timed expansion projects for our customers in the Northeast and further extends our ability to serve these key customers in New Jersey and New York, including Manhattan," continued Ebel.

Aubrey K. McClendon, Chesapeake's chief executive officer, commented, "Chesapeake is pleased to be a key shipper on Spectra Energy's new service to the New York City area, an area of rapidly growing demand for clean-burning natural gas. Chesapeake's industry-leading position in the Marcellus Shale provides the perfect supply source to help energy consumers in the New York City area reduce their dependence on expensive imported oil and carbon-heavy coal. With the newfound abundance of domestic natural gas through shale development unfolding in many areas of the U.S., American energy consumers can now more fully embrace the substantial economic and environmental benefits of natural gas."

"The new pipeline will help us meet the growing energy needs of our area, strengthen the reliability of the natural gas system, and improve air quality for all New Yorkers. The Spectra Energy project will also help us achieve the goals of the Mayor's and Governor's long-term energy and environmental goals as outlined in PlaNYC and the state energy plan," said Kevin Burke, president, chairman and chief executive officer, Con Edison.

The project will utilize existing utility corridors and rights-of-way where possible in order to minimize the effects on landowners and the environment.

Spectra Energy Corp (NYSE: SE), a FORTUNE 500 company, is one of North America's premier natural gas infrastructure companies serving three key links in the natural gas value chain: gathering and processing, transmission and storage, and distribution. For nearly a century, Spectra Energy and its predecessor companies have developed critically important pipelines and related infrastructure connecting natural gas supply sources to premium markets. Based in Houston, Texas, the company operates in the United States and Canada approximately 19,100 miles of transmission pipeline, more than 285 billion cubic feet of storage, as well as natural gas gathering and processing, natural gas liquids operations and local distribution assets. The company also has a 50 percent ownership in DCP Midstream, one of the largest natural gas gatherers and processors in the United States. Spectra Energy was recently ranked by FORTUNE as the world's "most admired" pipeline company. For more information, visit www.spectraenergy.com.